

VZCZCXYZ0002  
RR RUEHWEB

DE RUEHWN #0073/01 0352156  
ZNR UUUUU ZZH  
R 042156Z FEB 09  
FM AMEMBASSY BRIDGETOWN  
TO RUEHC/SECSTATE WASHDC 7065  
INFO RUEHDG/AMEMBASSY SANTO DOMINGO 5963  
RUCPDOG/DEPT OF COMMERCE WASHDC  
RHMFIUU/DEPT OF HOMELAND SECURITY WASHINGTON DC  
RUEAIIA/CIA WASHDC  
RUEHRC/USDA FAS WASHDC

UNCLAS BRIDGETOWN 000073

SENSITIVE  
SIPDIS

EB/CBA FOR DENNIS WINSTEAD  
SANTO DOMINGO FOR FCS  
USDA FOR FAS/OFFICE OF SCIENCE AND TECHNICAL AFFAIRS  
USDA FOR FAS/CBATO MIAMI  
WHA/CAR FOR JONATHAN MITCHELL

E.O. 12958: N/A

TAGS: [ETRD](#) [OECS](#) [EINV](#) [ECON](#) [XL](#)

SUBJECT: GOB INFORMALLY POSTPONING IMPLEMENTATION OF NEW  
LABELING REQUIREMENTS FOR IMPORTED FOOD ITEMS

¶1. SUMMARY (SBU) In a January 29 meeting arranged by the Embassy at the request of San Diego-based PriceSmart, a warehouse-style shopping club, Director of Barbados' Consumers Affairs Department (DCCA) Terry Bascombe assured PriceSmart executives and econoffs that the GOB would not follow through on threats to stringently implement new labeling standards for pre-packaged products starting March ¶1. Instead, Bascombe said, the GOB wanted to work with importers to come up with an alternative system to allow for re-labeling of non-compliant products in-country. PriceSmart offered to work with the GOB to come up with a workable plan on the basis of a successful similar project they recently implemented in Jamaica, and Bascombe and his staff were appreciative and interested in following up. End Summary.

-----  
BIRTH OF A BAD IDEA  
-----

¶2. (SBU) In a well-meaning attempt to comply with Codex Alimentarius standards, the GOB in 2004 enacted a law that established mandatory labeling requirements for all prepackaged food sold in Barbados. The Barbados National Standards Institute (BNSI) was charged with developing the technical standards, which were put on the books but never enforced. The previous government announced that they would implement the standards and gave companies until December 31, 2007 to comply. The current government, upon taking power, extended the deadline until December 31, 2008 and re-extended to February 28, 2009, which was advertised as the final deadline for full compliance. DCCA sent out several notices alerting the importer community of the impending changes, but few local companies took the notices seriously, and few U.S. exporters took much notice until the last letter. Receipt of the final, strongly worded letter, fully energized local companies and U.S. importers, including PriceSmart, which had been informally lobbying the government since July, 2008 to extend the deadline yet again. Despite the last-minute outcry, DCCA and BNSI publicly insisted that the deadline for compliance was final.

-----  
NEW STANDARDS  
-----

¶3. (U) The standards (Barbados National Standards, 5: Part 2: 2004, Labeling of Prepackaged Foods) requires, inter alia, that all prepackaged foods, both imported and domestically

produced, have a label that contains the country of origin, "manufactured by" date, and an expiry date. The act states,

"These dates shall consist of at least

a) the day and the month for products produced for consumption within a period of not more than three (3) months;

b) the month and the year for products produced for consumption within a period of longer than three (3) months,

In each case, the month shall be declared using the first three letters of the word (e.g. JAN, FEB etc. where the year is declared, the complete 4 digit representation shall be used."

-----  
BNSI TOWN HALL MEETING FANS FLAMES  
-----

14. (SBU) BNSI, having heard that local importers were complaining to the DCCA and to other politicians, held a town hall meeting February 27th for the food distribution companies to explain the rationale behind the new standards and explain technicalities. BNSI's chief technical officer pointed out that EU producers were already meeting the standards, and reminded importers that any product not meeting these standards would be denied entry as of the implementation date. He also noted that importers would no longer be allowed to re-label the product to bring the product into conformity with the standard. He explained that the new stringency was a simple case of consumer protection, pointing out that there were cases of local companies

mislabeling products, often maliciously, to "extend" expiry dates. He also noted that companies had had almost four years to become compliant. Noting that "BNSI just wrote the standards," he suggested that companies having a problem seek individual waivers from the Minister.

15. (SBU) The reaction from importers and local producers alike was predictable. They pointed out that Barbados imports 90 percent of its food, with the U.S. supplying 60 percent of the total prepackaged food market. Most US food manufacturers, they pointed out, are domestically focused. Exports to Barbados are a microscopic part of their business, and U.S. multinationals would not likely bother to re-tool their labeling machinery to satisfy the new requirement. Importers reported that many US exporters, having heard of the new regulations, said they would simply stop shipping product to Barbados. In some cases, exporters have already stopped shipment of product as it can take more than a week to reach the island. Local producers and importers of regionally-made goods similarly complained that labeling procedures would not be able to be changed just to satisfy the Barbados market. Many importers pointed out that if the requirements were enforced, Barbados would lose 60 percent of its available food products overnight, that food costs would rise due to increased transportation charges and exchange rate problems for goods sourced from the EU, and many companies would as a result have to lay off workers.

-----  
DCCA SEARCHING FOR COMPROMISE  
-----

6) (SBU) With the Embassy's assistance, PriceSmart executives, including their chief compliance officer, met with Terry Bascombe, Director of the Department of Commerce and Consumer Affairs on January 29 to discuss alternative solutions. Bascombe assured us that Commerce Minister David Estwick did not feel obliged to formally enforce the standards on February 28, as that decision had been made under the previous government. The letter was sent out as a wake up call to let the importers know that the GOB was serious about enforcing the law. He said it worked: he had received hundreds of calls and e-mails protesting the new regulations. He also noted that the Minister and others were

well aware of the implications if the requirements were to be enforced. No one, he said, relished the thought of food shortages, price hikes, and layoffs at the front end of a global recession. He said his Minister wanted to ensure that a workable plan would be put in place in consultation with the local and international business community, but stressed that the regulations would be enforced, and that the extension was an informal extension until such time that an alternative plan is put into place. (Comment: The GOB does not provide information on mandatory standards free to the public; one has to write to them and order paper copies for a fee. Bascombe said they are considering putting them on their web site, but are worried about others downloading the standards and selling them. Not surprisingly, few companies as a result have ever seen the standards or even knew until very recently that the GOB expected them to follow these standards. End comment.)

17. (SBU) At the meeting, PriceSmart offered to serve as a partner in helping craft an alternative compliance system on the basis of their experience with a similar situation in Jamaica. They provided copies of their training and inspection manuals (all proprietary information) and offered to work with the GOB to establish a regulatory system that fit their needs and that the GOB could propose as its own -- rather than one adopted from an outside source. Mr. Bascombe and his staff were optimistic that such a program could work in Barbados and agreed to continue talks with an eye to having a GOB-"owned" draft system as a starting point for discussions with importers and consumer advocates to develop a workable alternative to the "all or nothing" approach on the books at present.

-----  
COMMENT  
-----

18. (SBU) The chief technical inspector told poloffs that they had heard that the USG would be imposing new labeling rules that would require companies to use the CODEX standards in their food labeling and would also make food labeling mandatory. Econoff promised to follow up with FDA to see the status of any such proposal. They stressed that, if the US were going to adopt such standards soon, the GOB could delay implementation of their standards until US exporters were in full compliance with the new standards. They also said that they would not enforce the requirement for a "manufactured on" date as they knew that few companies include that in their labels. Post remains confident that a common sense solution will be achieved as the GOB is not prepared to withstand the public criticism, and serious economic and political consequences, if they imposed these regulations without a work-around.  
HARDT